

## Message Text

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ACTION EA-12

INFO OCT-02 ISO-00 AID-05 EB-08 OMB-01 TRSE-00 IGA-02  
CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00  
PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00 USIE-00  
INRE-00 SNM-05 AGRE-00 OES-07 /076 W  
-----001701 251223Z /16

O 241009Z JAN 78  
FM AMEMBASSY RANGOON  
TO SECSTATE WASHDC IMMEDIATE 4815

C O N F I D E N T I A L SECTION 1 OF 2 RANGOON 0290

E.O. 11652: GDS  
TAGS: EAID, EFIN, BM  
SUBJ: AID TO BURMA

REF: RANGOON 0256

BEGIN SUMMARY: EMBASSY BELIEVES THE TIME HAS COME TO  
SERIOUSLY CONSIDER A MODEST ASSISTANCE PROGRAM FOR BURMA.  
THE INITIAL ASSISTANCE SHOULD BE SMALL, CONSISTING PERHAPS  
OF A PL 480 FOOD PROGRAM AND/OR GRANT ASSISTANCE. SUCH A  
PROGRAM WOULD HELP FURTHER U.S. BASIC INTERESTS IN BURMA  
AND AT THE SAME TIME PROVIDE FOR A BASIC FOOD NEED OF THE  
BURMESE PEOPLE. END SUMMARY.

1. THE USG SHOULD ADOPT A MORE POSITIVE STANCE ON ECONOMIC  
ASSISTANCE FOR BURMA. THE TIME HAS COME WHEN AT LEAST A  
SYMBOLIC AND MODEST ASSISTANCE PROGRAM IN THE ECONOMIC SPHERE  
WOULD BE CLEARLY IN THE INTEREST OF THE USG. IT WOULD DEMON-  
STRATE OUR RECOGNITION OF BURMA'S EFFORTS IN THE NARCOTICS  
FIELD BY PROVIDING NON-NARCOTICS RELATED ASSISTANCE TO BURMA'S  
ECONOMY. IT WOULD ALSO HELP MAINTAIN MUTUALLY BENEFICIAL  
ACCESS FOR AMERICAN BUSINESS TO BURMA'S MARKET AND RESOURCES  
WHICH IS SET FORTH IN THE PARM AS A MAJOR INTEREST. IN  
ADDITION, RECENT ECONOMIC ADVANCES, PARTICULARLY BURMA'S  
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SUCCESS IN VIRTUALLY ELIMINATING ITS INFLATION PROBLEM,  
AUGUR WELL THAT U.S. ASSISTANCE WOULD BE USED TO ENHANCE  
BURMA'S ECONOMIC POTENTIAL.

2. U.S. ASSISTANCE INITIALLY SHOULD BE SMALL, PERHAPS A  
PL 480 FOOD PROGRAM OF AROUND TWO TO THREE MILLION DOLLARS  
PLUS POSSIBLE GRANT ASSISTANCE AT A MODEST LEVEL. IN ANY

CASE IT SHOULD BE CLEARLY IN THE FIELD OF ECONOMIC ASSISTANCE AND AVOID EDUCATIONAL OR SOCIAL PROGRAMS. THE GUB IS LOOKING FOR ECONOMIC ASSISTANCE (EVEN MODEST ASSISTANCE) FROM THE U.S., AND WHILE IT MIGHT ACCEPT SOME AID IN THE EDUCATIONAL OR SOCIAL FIELD, IT WOULD NOT REGARD OUR EFFORTS IN THESE AREAS AS MEETING ANY PARTICULAR NEED IN BURMA. SUCH AID WOULD GAIN US LITTLE GRATITUDE, LEVERAGE OR RECOGNITION FROM THE GUB. EDUCATION IS THE SECTOR OF BURMA'S LEAST NEED -- EXCEPT FOR TURNING OUR MORE GRADUATES THAN THE ECONOMY CAN ABSORB, EDUCATION SHOULD NOT BE COUNTED AMONG BURMA'S PLETHORA OF ECONOMIC PROBLEMS. U.S. ASSISTANCE IN THIS FIELD WOULD DO LITTLE TO SPUR BURMA'S DEVELOPMENT, AND FUNDS AND EFFORT PUT TOWARD EDUCATION IN BURMA WOULD QUICKLY PASS THE POINT OF DIMINISHING RETURNS. ASSISTANCE IN THE HEALTH SECTOR, PERHAPS UTILIZING EXCESS KYAT FUNDS, SHOULD BE CONSIDERED AS A COMPLEMENT TO RATHER THAN A SUBSTITUTE FOR ASSISTANCE IN THE ECONOMIC SPHERE.

3. IF THERE ARE POSSIBILITIES FOR U.S. ECONOMIC ASSISTANCE FOR BURMA OTHER THAN A PL 480 FOOD PROGRAM, E.G. CO-FINANCING CERTAIN WORLD BANK PROJECTS OR GRANT ASSISTANCE (PROBABLY DIRECTED TOWARD AGRICULTURE), THE EMBASSY BELIEVES THEY SHOULD BE CONSIDERED AND INVESTIGATED. HOWEVER, AT THE MINIMUM A SMALL PL 480 PROGRAM, PERHAPS PROVIDING EDIBLE OILS, SEEMS PARTICULARLY SUITED TO MEETING U.S. INTERESTS IN BURMA AT THE PRESENT TIME. IF APPROPRIATE LEGISLATIVE  
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AUTHORITY EXISTS, THE EMBASSY BELIEVES FUNDS GENERATED FROM THE PROGRAM COULD BE OFFERED TO THE GUB FOR NARCOTICS TREATMENT AND REHABILITATION PROGRAMS; OTHERWISE THE LOCAL CURRENCY COULD BE PUT INTO A SPECIAL ACCOUNT TO FINANCE PROJECTS AIMED AT IMPROVING AGRICULTURAL PRODUCTIVITY.

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C O N F I D E N T I A L SECTION 2 OF 2 RANGOON 0290

4. ALL PROPOSALS FOR AID PROGRAMS NOTED IN REFTEL MEET A BASIC NEED FELT AT THE LOWEST LEVEL OF BURMA'S POPULATION. ALTHOUGH BURMA IS AN AGRICULTURAL COUNTRY WHICH IS NEARLY SELF-SUFFICIENT IN FOOD, IT'S POPULACE SUFFERS FROM CERTAIN NUTRITIONAL DEFICIENCIES. A MAJOR SHORTAGE EXISTS IN EDIBLE OILS AND DUE TO LACK OF FOREIGN EXCHANGE THE GUB HAS BEEN UNABLE TO IMPORT SUFFICIENT QUANTITIES TO MEET LOCAL NEEDS. PRICES FOR THE NECESSARY FOOD ROSE OVER THE PAST SEVERAL YEARS UNTIL IT IS VIRTUALLY BEYOND THE MEANS OF THE AVERAGE BURMESE WORKER. THEREFORE A PL 480 FOOD PROGRAM COUPLED WITH ASSISTANCE FOR BURMA'S AGRICULTURAL SECTOR WOULD MEET A BASIC HUMAN NEED IN BURMA. THE PROPOSED ADDITON OF ASSISTANCE IN THE HALTH SECTOR WOULD BE COMPATIBLE WITH U.S. HUMANITARIAN CONCERN FOR THE BASIC WELL-BEING OF THE WORLD'S POPULATION.

5. THE GUB MAY NOT BE WILLING TO COMPLY WITH REQUIRED TERMS AND CONDITIONS OF A PL 480 PROGRAM. HOWEVER, WE THINK IT IS MOE LIKELY THAN NOT TO AGREE TO THESE CONDITIONS. (WE WILL NEVER KNOW UNLESS WE TRY.) NEVERTHELESS, SHOULD THE GUB TURN DOWN THE OFFER, THE GESTURE BY THE USG WOULD IN ITSELF SERVE TO DEMONSTRATE OUR CONCERN AND SYMPATHY FOR BURMA'S ECONOMIC PROBLEMS AND OUR WILLINGNESS TO ASSIST IN A NON-NARCOTICS AREA.

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## Message Attributes

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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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